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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Sierra Leone

Performance report for the period from 1 July 2005 to 30 June 2006 and financing of the United Nations Mission in Sierra Leone

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06	$107,539,300
Expenditure for 2005/06	$86,137,300
Unencumbered balance	$21,402,000

I. Introduction

1. The general report of the Advisory Committee on Administrative and Budgetary Questions on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to the United Nations Mission in Sierra Leone (UNAMSIL).

2. The documents used by the Advisory Committee in its consideration of the financing of UNAMSIL are listed at the end of the present report.

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II. Financial performance report for the period from 1 July 2005 to 30 June 2006

Mandate and results

3. On the recommendation of the Advisory Committee contained in its report on UNAMSIL (A/59/736/Add.9) to the General Assembly at its fifty-ninth session, the Assembly, by its resolution 59/14 B, appropriated an amount of $89,606,400 for the maintenance of the Mission for the period from 1 July to 31 December 2005 and an amount of $17,932,900 for the liquidation of the Mission for the period from 1 January to 30 June 2006. These amounts have been assessed on Member States.

4. The mandate of UNAMSIL was established by the Security Council in its resolution 1270 (1999) to help the Council to achieve an overall objective, namely, to consolidate peace and stability in Sierra Leone. By its resolution 1610 (2005), the Council extended the mandate of UNAMSIL for a final period of six months until 31 December 2005. Subsequently, in its resolution 1620 (2005), the Council established the United Nations Integrated Office in Sierra Leone (UNIOSIL) with effect from 1 January 2006.

5. Upon enquiry, the Advisory Committee was informed that the final closure of UNAMSIL accounts should take place in the year 2009, at which time the final performance report would be prepared for consideration by the Committee. **The Committee recommends that unencumbered balances be credited to Member States and urges the Secretariat to expedite the preparation of the final performance report on the budget of UNAMSIL for consideration by the Committee as soon as possible.**

6. The Advisory Committee notes that, in its resolution 61/264, the General Assembly requested the Secretary-General to submit a detailed report on after-service health insurance at its sixty-third session. **Pending a decision by the Assembly, the Committee recommends that the full amount of other income and adjustments amounting to $120,117,600, as well as a portion of the unencumbered balance amounting to $21,402,000 for UNAMSIL for the period 2005/06, which had been proposed for meeting after-service health insurance liabilities, be credited to Member States.**

Information on financial performance

7. The Advisory Committee was informed that, as at 31 December 2006, a total of $2,783,086,900 had been assessed on Member States in respect of UNAMSIL since its inception. Payments received as at the same date amounted to $2,814,401,900, leaving a balance of $31,315,000. Upon further enquiry, the Committee was informed that the total amount received exceeded the total amount assessed owing to the return to Member States of their respective share of the unencumbered balance and other income totalling $99,287,600 in respect of the financial period ended 30 June 2005. As at 2 April 2007, the cash position of the Mission was $180,700,000. The Committee was also informed that troop cost reimbursement payments made during 2006 amounted to $15,321,900; there was no outstanding balance. With regard to contingent-owned equipment, the Committee was informed that the estimated amount owed as at 31 December 2006 was

$514,000 for claims certified up to December 2005, while unliquidated obligations from 1 July 2005 to 30 June 2006 totalled $2,322,215. As at 31 December 2006, $255,500 had been paid for seven claims for death and disability compensation since the inception of the Mission; there were no unliquidated obligations, and 30 claims remained outstanding. **The Advisory Committee trusts that all outstanding death and disability claims will be settled expeditiously.**

Utilization of resources

8. Expenditures for the period from 1 July 2005 to 30 June 2006 totalled $86,137,300 gross ($83,208,400 net), which is $21,402,000, or 19.9 per cent, lower than the appropriation of $107,539,300 (see A/61/682, sect. III.A). The budget provided for the deployment of 141 military observers, 3,250 military contingents, 78 United Nations police, 260 international staff, 474 national staff and 96 United Nations Volunteers.

9. The Mission's unutilized balance of $21,402,000 is the net effect of savings and additional requirements under various budget lines. Savings for military and police personnel were mainly attributable to lower requirements for personnel resulting from a faster-than-planned drawdown, the reimbursement to troop-contributing countries for contingent-owned equipment based on actual verified major equipment being lower than anticipated and the combined shipment of the equipment of three contingents. Savings under staff salaries, staff assessment and mission subsistence allowance for international and national staff were a result of actual vacancy rates of international staff of 17.3 per cent, compared to a budgeted 15 per cent, of national staff of 17 per cent, compared to 5 per cent, and of United Nations Volunteers of 8.9 per cent, compared to a zero budgeted vacancy rate. Savings for operational costs related primarily to general temporary assistance after an unsuccessful search to fill two conduct and discipline positions due to the very short-term nature of the positions; facilities and infrastructure and ground transportation, as a result of a cost-sharing agreement between UNAMSIL and UNIOSIL; air transportation, due to earlier withdrawal of the aircraft than had been provided for; and communications in connection with the drawdown. Partially offsetting these savings were higher expenditures for a number of budget lines, including the cost of rations for military personnel, as well as unbudgeted payments for residential security for United Nations Volunteers. Higher expenditures were also incurred under ground transportation for the acquisition of car-log/fuel-log systems for vehicles and for the purchase of avian flu prophylaxis.

III. Financing of the United Nations Mission in Sierra Leone

10. In its resolution 59/14 B, the General Assembly approved the proposed donation of assets to the Government of Sierra Leone based on a preliminary disposition of assets plan set out in the report of the Secretary-General (A/59/759). The report also indicated that a report on the final disposition of UNAMSIL assets would be submitted to the Assembly at its sixty-first session. The report of the Secretary-General on financing of the United Nations Mission in Sierra Leone (A/61/819) indicates that the process of liquidating the Mission's assets was guided by principles and policies contained in United Nations financial regulation 5.14.

The Advisory Committee notes that the report (A/61/819) submitted by the Secretary-General is not a final report, but a progress report about disposition of assets, as the disposition of 42 items has yet to be completed.

Progress report on the final disposition of assets

11. The report of the Secretary-General also provides a summary of the disposition of assets (see A/61/819, table 1). Details of the sale of assets of UNAMSIL are incorporated in table 2 of the report.

12. The salient features of the disposition of assets are:

(a) The Mission's assets with a total inventory value of $61,622,700, were disposed of as of 30 June 2006;

(b) A total of 3,328 assets with a total inventory value of $8,333,600 and a corresponding residual value of $3,035,800 were actually donated to the Government of Sierra Leone;

(c) UNAMSIL assets with a total inventory value of $21,446,400 have been transferred to UNIOSIL, with action on their disposition, including any further donation to the Government of Sierra Leone, to be taken upon completion of the mandate of UNIOSIL;

(d) Assets with an inventory value of $12,688,500 and a corresponding residual value of $4,559,600 were sold to United Nations agencies, international organizations and non-governmental organizations, as well as to private companies and individuals on the basis of competitive bidding;

(e) The inventory value of assets totalling $2,997,900 and representing 4.9 per cent of the total assets inventory value and a corresponding residual value of $1,204,900, have been written off as a result of accidents, damage caused by natural elements, obsolescence, normal wear and tear, and because they were being uneconomical to repair.

13. Assets to be transferred to other missions or to be temporarily stored at the United Nations Logistics Base at Brindisi amounted to $37,602,700. The Advisory Committee notes that action on their disposition, including any further donation to the Government of Sierra Leone, is to be taken upon completion of the mandate of UNIOSIL.

IV. Conclusions

14. The action to be taken by the General Assembly in connection with the financing of UNAMSIL for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 26 of the performance report (A/61/682). **The Advisory Committee recommends that the unencumbered balance of $120,117,600 as well as other income/adjustments in the amount of $21,402,000 for the period ended 30 June 2006, be credited to Member States in a manner to be determined by the General Assembly (see also para. 8 above).**

15. The action to be taken by the General Assembly at its sixty-first session in connection with the financing of UNAMSIL is indicated in paragraph 13 of the Secretary-General's report (A/61/819). **The Advisory Committee recommends that the General Assembly take note of the progress report on the disposition of assets of UNAMSIL.**

Documentation

- Financing of the United Nations Mission in Sierra Leone (A/61/819)
- Performance report on the budget of the United Nations Mission in Sierra Leone for the period from 1 July 2005 to 30 June 2006 (A/61/682)
- Proposed donation of assets to the Government of Sierra Leone (A/59/759)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the proposed budget for the period from 1 July 2005 to 30 June 2006 and financial performance report for the period from 1 July 2003 to 30 June 2004 of the United Nations Operation in Sierra Leone (A/59/736/Add.9)
- General Assembly resolutions 61/264, 60/279 and 59/14 B
- Security Council resolutions 1620 (2005), 1610 (2005), 1562 (2004), 1537 (2004) and 1270 (1999)